

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Handloom Industry-- National Co-operative Development Corporation - Sanction of an amount of Rs.29,50,000/- comprising of Rs.23,60,000/- as loan and Rs.5,90,000/- as subsidy towards Margin Money Assistance to the Uravakonda Handloom Weavers Co-operative Production and Sales Society Ltd., Uravakonda, Ananthapur District -- Orders -- Issued.

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INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Rt.No. 549

Dated:27-08-2010

Read the following:-

1. From the President, the Uravakonda Handloom Women Weavers Co-operative Production and Sales Society Ltd., Uravakonda, Anantapur District, representation, dated 6.8.2008 and 6.11.2008.
2. From the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad, Lr.Rc.No. 6824/2009- K2, dt. 03-10-2009.
3. Government of Andhra Pradesh, Lr.No.15413 /Tex.2/2008-, dated 25-11-2009.
4. From the Regional Director,Regional Directorate, National Co-operative Development Corporation (HandloomDivision), Hyderabad, Letter No.NCDC:20-1/2007/RDH/142/SA00061/dated 15-7-2010.
5. From the President, the Uravakonda Handloom Weavers Co-operative Production and Sales Society Ltd., Uravakonda, Anantapur District, representation, dated 22-7-10.
6. From the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad, Letter Rc.No. 6824/ 2009-K2, dt.26-7-2010.
7. G.O.Rt.No.3610, Finance (Exp.I&C) Department, dated 7-8-2010.

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**ORDER**

In reference 3rd read above, the Government have forwarded the loan application of the Uravakonda Handloom Women Weavers Co-operative Production and Sales Society Ltd., Uravakonda, Anantapur District to the National Co-operative Development Corporation, New Delhi for sanction of Rs.49.50 lakhs towards Margin Money Assistance under National Co-operative Development Corporation subject to the condition that there shall not be any Additional amount commitment or Government Guarantee on part of Government.

2. In the reference 4<sup>th</sup> read above, Regional Director, Regional Directorate, National Co-operative Development Corporation (Handloom Division), Hyderabad, has stated that the State Government has recommended the proposal of Uravakonda Handloom Weavers Cooperative Production and Sales Society Ltd., Uravakonda, Anantapur District for sanction of Margin Money assistance of Rs.49.50 lakh by National Co-operative Development Corporation through State Government of Andhra Pradesh towards development of its business activities. The proposal has been examined and in the light of the State Government's recommendation and the additional information furnished by the Society vide their letter dated 15-06-2010, it has been decided to sanction a Financial Assistance of Rs.29.50 lakh (Rupees Twenty Nine Lakhs and Fifty Thousand only) to Government of Andhra Pradesh to provide the same to the Uravakonda Handloom Weavers Cooperative Production and Sales Society Ltd., Uravakonda, Anantapur District as Margin Money assistance for development of its business activities during 2010-11 as per the following pattern:-

From NCDC to State Government	Amount (Rs.lakhs)	From State Government to Society	Amount (Rs.lakhs)
Loan (80%)	23.60	Loan or Share Capital (80%)	23.60
Subsidy (20%)*	5.90	Subsidy (20%)	5.90
Total (100%)	29.50	Total (100%)	29.50

\*- Subject to availability from Government of India

The State Government shall provide National Co-operative Development Corporation's loan component assistance sanctioned above to the Society in the form of share capital or loan and subsidy component in the form of subsidy.

3. Further, the Regional Director, NCDC, Hyderabad has conveyed the sanction of National Co-operative Development Corporation for a loan assistance of Rs.23.60 lakhs (Rupees Twenty Three Lakhs and Sixty Thousand only) and subsidy of Rs.5.90 lakhs (Rupees Five Lakhs and Ninety Thousand only) [subsidy subject to availability of the same

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from Government of India) to the Government of Andhra Pradesh to provide the same to the Uravakonda Handloom Weavers Co-operative Production and Sales Society Ltd., Anantapur District in the above pattern to enable it to raise necessary working capital finance for development of its business activities. The assistance sanctioned will be released by the Corporation to the State Government in the form of reimbursement i.e., the State Government will first release the assistance to the Society and then claim reimbursement from the Corporation. While claiming reimbursement, the State Government should indicate the date of disbursement of the assistance to the Society and furnish a copy of the State Government's sanction letter. The Corporation's sanction is valid upto 31.03.2011. The State Government should, however, release the sanctioned Margin Money Assistance of Rs.29.50 lakhs to the Society immediately and claim reimbursement from the Corporation.

4. The assistance of Rs.29.50 lakhs (Rupees Twenty Nine Lakhs and Fifty Thousand only) sanctioned is subject to the conditions that the Society:-

- (i) shall furnish to the Corporation such returns, statements of accounts and other information, as may be prescribed or called for by the Corporation from time to time;
- (ii) shall allow and afford facilities to the officers of the Corporation or any other person or persons nominated by it in this behalf to verify and inspect its books of accounts and other records; and
- (iii) shall make arrangements to the satisfaction of the Corporation for the appointment of suitable administrative and technical / senior personnel for the business of the society.

5. The Regional Director, National Co-operative Development Corporation, Hyderabad has further stated that the period of loan to State Government will be for 5 years. There will be no moratorium on repayment of loan and payment of interest. The repayment of loan instalment will commence from the 1<sup>st</sup> anniversary of the deemed date of drawal of loan along with interest. The loan shall carry rate of interest prevailing at the time of actual release of funds. Existing effective rate of interest is 11.25% p.a. and in case payment of instalment is not received on or before due date, normal rate of interest (effective + 1%) would be applicable. Further, in case of default in payment of instalment, penal interest @ 2.5% over and above the normal rate of interest shall be charged on the defaulted instalments for the period of delay. The other terms and conditions of the Corporation shall be according to National Co-operative Development Corporation, Letters No. NCDC : 1-1/84-Budt, dated 15.10.1984 and No. NCDC:1-1/1990 -Budt, dated 30-06-2010 and as amended from time to time.

6. The Corporation reserves the right to foreclose and recover the loan assistance from the State Government if :-

- (i) it is not utilised for the purpose for which it has been sanctioned;
- (ii) the society fails to furnish the returns, statements of accounts and other information as may be prescribed or called for by the Corporation from time to time;
- (iii) if any of the other conditions are not fulfilled.

7. In the reference 5<sup>th</sup> read above, the President, the Uravakonda Handloom Weavers Cooperative Production and Sales Society Ltd., Uravakonda, Anantapur District has requested the Government to release the Margin Money to provide employment to the members of the Society and for development of the Society.

8. In the reference 6<sup>th</sup> read above, the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has stated that the Regional Director, National Co-operative Development Corporation, Hyderabad has conveyed sanction of Financial Assistance of Rs.29.50 lakhs (comprising Rs.23.60 lakhs as Loan and Rs.5.90 lakhs as subsidy) (subject to availability of funds from Government of India) to the Government of Andhra Pradesh towards Margin Money assistance to Uravakonda Handloom Weavers Cooperative Production and Sales Society Ltd., Uravakonda, Anantapur District with certain terms and conditions. The State Government shall provide the National Co-operative Development Corporation's loan component assistance to the society in the form of share capital or loan and subsidy component in the form of subsidy. The assistance will be released by National Co-operative Development Corporation to the State Government on reimbursement basis i.e., the State Government will first release the amount sanctioned to the said Society and there after claim reimbursement from the Corporation.

9. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has requested the Government to sanction and release an amount of Rs.29.50 lakhs (comprising Rs.23.60 lakhs as Loan and Rs.5.90 lakhs as subsidy) to Uravakonda Handloom Weavers Cooperative Production and Sales Society  
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Ltd., Uravakonda, Anantapur District under Margin Money Assistance of National Co-operative Development Corporation Scheme for the year 2010-11, as per the terms of National Co-operative Development Corporation sanction letter along with Budget Release Order.

10. After careful examination and as per the Budget Release Order issued by the Finance Department in the reference 7<sup>th</sup> read above, Government have decided to sanction Rs.29,50,000/- (Rupees Twenty Nine Lakhs and Fifty Thousand only) to the Uravakonda Handloom Weavers Co-operative Production and Sales Society Ltd., Uravakonda, Ananthapur District as detailed below:

- (a) Rs.23,60,000/- as loan ; and
- (b) Rs.5,90,000/-as Subsidy as additional funds in relaxation of Treasury Control and Quarterly Regulations by obtaining supplementary grants during the financial year 2010-11

from Budget Estimates provision 2010-11 under Centrally Sponsored Scheme under Plan towards Margin Money Assistance from National Co-operative Development Corporation, New Delhi, to the State Government on reimbursement basis.

11. Accordingly, Government hereby sanction Rs.29,50,000/- (Rupees Twenty Nine Lakhs and Fifty Thousand only) to the Uravakonda Handloom Weavers Co-operative Production and Sales Society Ltd., Uravakonda, Ananthapur District as detailed below:

- (a) Rs.23,60,000/- as loan ; and
- (b) Rs.5,90,000/-as Subsidy as additional funds in relaxation of Treasury Control Orders and Quarterly Regulations by obtaining supplementary grants during the financial year 2010-11

from Budget Estimates provision 2010-11 under Centrally Sponsored Scheme under Plan towards Margin Money Assistance from National Co-operative Development Corporation New Delhi to the State Government on reimbursement basis .

12. The expenditure sanctioned in para (11) above shall be subject to the conditions stipulated by the National Co-operative Development Corporation, New Delhi, in the reference 4<sup>th</sup> read above.

13. The expenditure of loan amount of Rs.23,60,000/- (Rupees Twenty Three Lakhs and Sixty Thousand only) shall be debited to the following Head of Account:-

- 6860 – Loans for consumer industries
- 01 – Textiles –
- MH-101 – Loans to Cooperative Spinning Mills
- 10- Centrally Sponsored Schemes
- 05- Margin Money to Co-operative Spinning Mills
- 001- Margin Money to Cooperative Spinning Mills

14. The expenditure of subsidy amount of Rs.5,90,000 (Rupees Five Lakhs and Ninety Thousand only) shall be debited to the following Head of Account:-

- “2851 - Village and Small Industries
- MH.103- Handloom Industries
- G.H.10- Centrally Sponsored Schemes
- SH(56)– Margin Money Assistance to Co-operative Societies
- under NCDC(Subsidy)
- 310 - Grants-in-aid
- 312 - Other Grants-in-aid”

and shall be incurred in relaxation of Treasury Control and Quarterly Regulations.

15. The Assistant Secretary to Government, Finance (DMC) Department, Andhra Pradesh Secretariat, Hyderabad is authorized to draw the loan amount of Rs.23,60,000/- (Rupees Twenty Three Lakhs and Sixty Thousand only) sanctioned in para (11) above by way of a cheque in favour of Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad who will disburse the same to the Uravakonda Handloom Weavers Co-operative Production and Sales Society Ltd., Uravakonda, Ananthapur District. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad shall furnish the Utilization Certificates within one month from the date of drawal of the amount to the Office of the Managing Director, National Co-operative Development Corporation (T-Series), New Delhi.

16. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad / concerned Drawing & Disbursement Officer is authorized to draw the subsidy amount of Rs.5,90,000/- (Rupees Five Lakhs and Ninety Thousand only) sanctioned at para (11) above and disburse the same to the Uravakonda Handloom Weavers Co-operative Production and Sales Society Ltd., Uravakonda,

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Ananthapur District by way of a cheque under the National Co-operative Development Corporation scheme as and when necessity arises for the purpose for which it is sanctioned to the concerned Society. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad shall furnish the Utilization Certificates within one month from the date of drawal of the amount to the Office of the Managing Director, National Co-operative Development Corporation, New Delhi.

17. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad and Vice-Chairman and Managing Director, Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad are requested to deduct the loan instalment amount sanctioned above from the concerned Society viz., the Uravakonda Handloom Weavers Co-operative Production and Sales Society Ltd., Uravakonda, Ananthapur District and to remit the same to the State Government Account on due dates under intimation to the National Co-operative Development Corporation, New Delhi.

18. This order issues with the concurrence of Finance (Exp.I&C) Department, vide their U.O.No.24012/337/Exp.I&C/2010, dated 25-08-2010, and vide Budget Release Order in G.O.Rt.No.3610, Finance (Exp.I&C) Department, dated 07-08-2010.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

RANJEEV R.ACHARYA,  
PRINCIPAL SECRETARY TO GOVERNMENT.

To  
The Director of Handlooms and Textiles and Development  
Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad  
The Assistant Secretary to Government, Finance (DMC) Department.  
The Vice-Chairman and Managing Director,  
Andhra Pradesh State Handloom Weavers Co-operative  
Society Limited (APCO), Hyderabad.  
The President,  
Uravakonda Handloom Weavers Co-operative Production and Sales  
Society Ltd., 8-3-49/2, S.N.Peta, Near Army Kotha Yerriswamy House,  
Uravakonda, Ananthapur District – 515 812.  
The Managing Director,  
National Co-operative Development Corporation ( NCDC),  
4, Siri Institutional Area, Hauz Khas, New Delhi.  
The Chief Director, National Co-operative Development Corporation,  
2nd Floor, HACA Bhavan, Opp. Public Gardens, Hyderabad.

Copy to:

The Finance (Exp.I&C)/ (BG) Department  
The Accountant General Andhra Pradesh, Hyderabad.  
The Pay and Accounts Officer, Hyderabad.  
The Director of Treasuries of Accounts, A.P., Hyderabad.  
The Principal Secretary to Chief Minister.  
The P.S. to Minister for Handlooms and Textiles.  
The P.S. to Principal Secretary to Government,  
Industries and Commerce Department.  
The Industries and Commerce (L&B) Department.  
Stock File/Spare Copies.

// FORWARDED BY: ORDER//

SECTION OFFICER.